Are you the one in charge of FAST???

FLEXIBLE ACQUISITION & SUSTAINMENT TOOL UPDATE 10 FEB 2000

WHERE ARE WE?

- Briefed Ms. Druyun 12 Jan
- Briefed staffers from GA, UT, OK 20 Jan
- Submitted updated small business plan to AF/SB wk of 24 Jan
- Industry day scheduled (tentative) 29
- Draft Request For Proposal (tentative) Apr
- Final Request For Proposal (tentative) May

NOTE!

- We are still in the pre-acquisition strategy phase; the Acquisition Strategy Panel is scheduled for March. Some portions are firm, i.e., requirements; other areas, anticipated savings, are still being finalized.

FAST

FAST

This is an informational briefing, not a debate or even an attempt to convince.

CURRENT OPERATIONS

- Program Managers Within Each Product Directorate Are Sending Money and Requirements for Mods and Services To Existing Off-base Contractual Vehicles With Increasing Regularity-> $1B/yr across 3 ALCs

  (Ogden, Oklahoma City, and Robins)

  - Fast, Flexible, but Lacking Visibility
  - Why?? AF Does Not Have a Fast, Flexible, User Friendly, and Low Cost Contract Vehicle of Choice

FAST CURRENT OPERATIONS cont'd

- Expensive: 1%-18% Surcharge (Average 4%)
  - Army
  - GSA
  - Navy
  - Other Agencies

- Centralized Ordering
  - They issue the order, and we administer it.
  - AF receives no credit for obligation/competition/Small Business/8A/ etc…

- Redundant Bid and Proposal Costs for Industry

CURRENT OBLIGATIONS*

Without FAST

$ to be Obligated $1.00

Sent to other Agencies 12¢

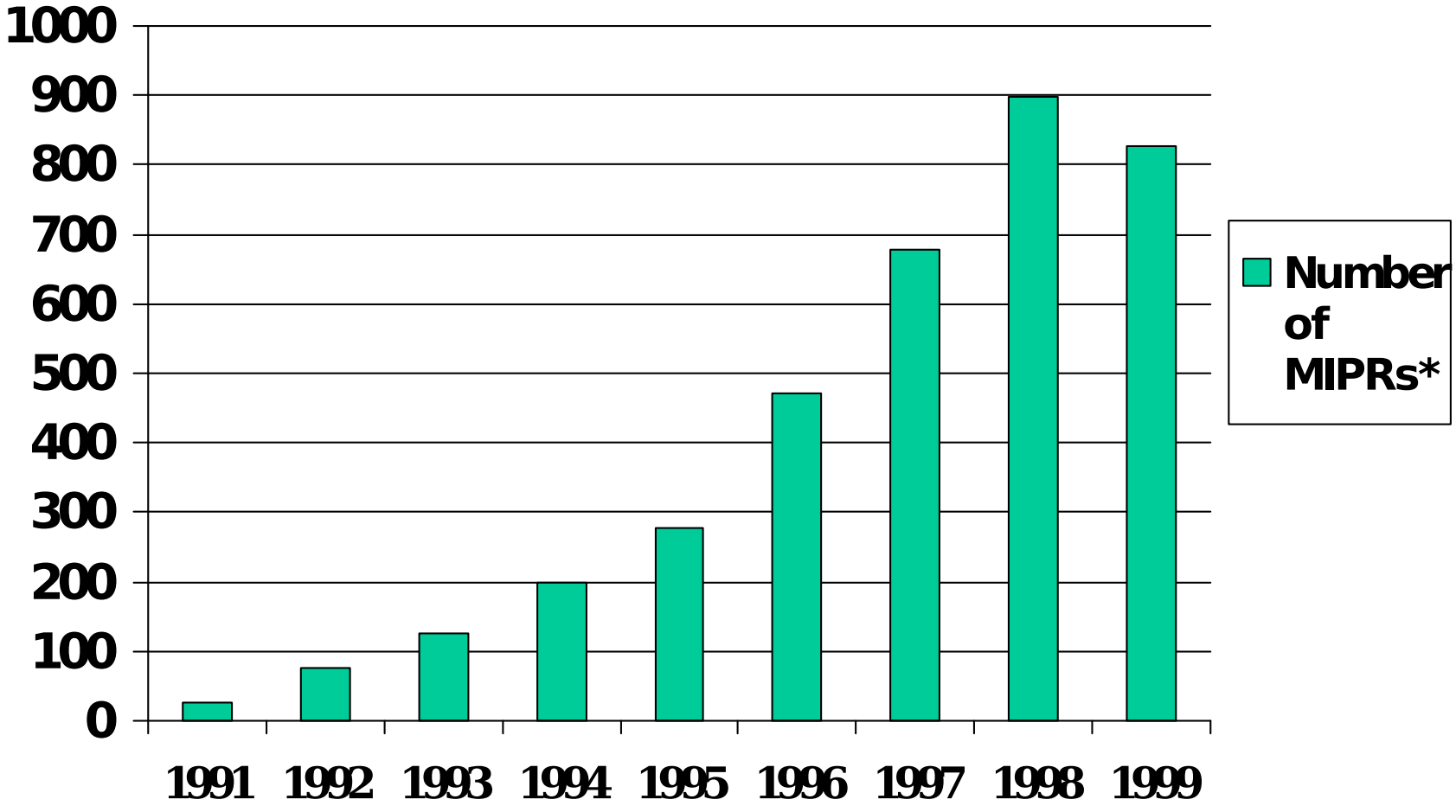
Net 88¢ **

* Against a base of $7B

**Includes only those $s under Standard Industrial Clas
susceptible to FAST- central contracting (Base Operat
Support is EXCLUDED.)

FAST

OC-ALC OFF-BASE CONTRACTING



*Military Interdepartmental Purchase Req

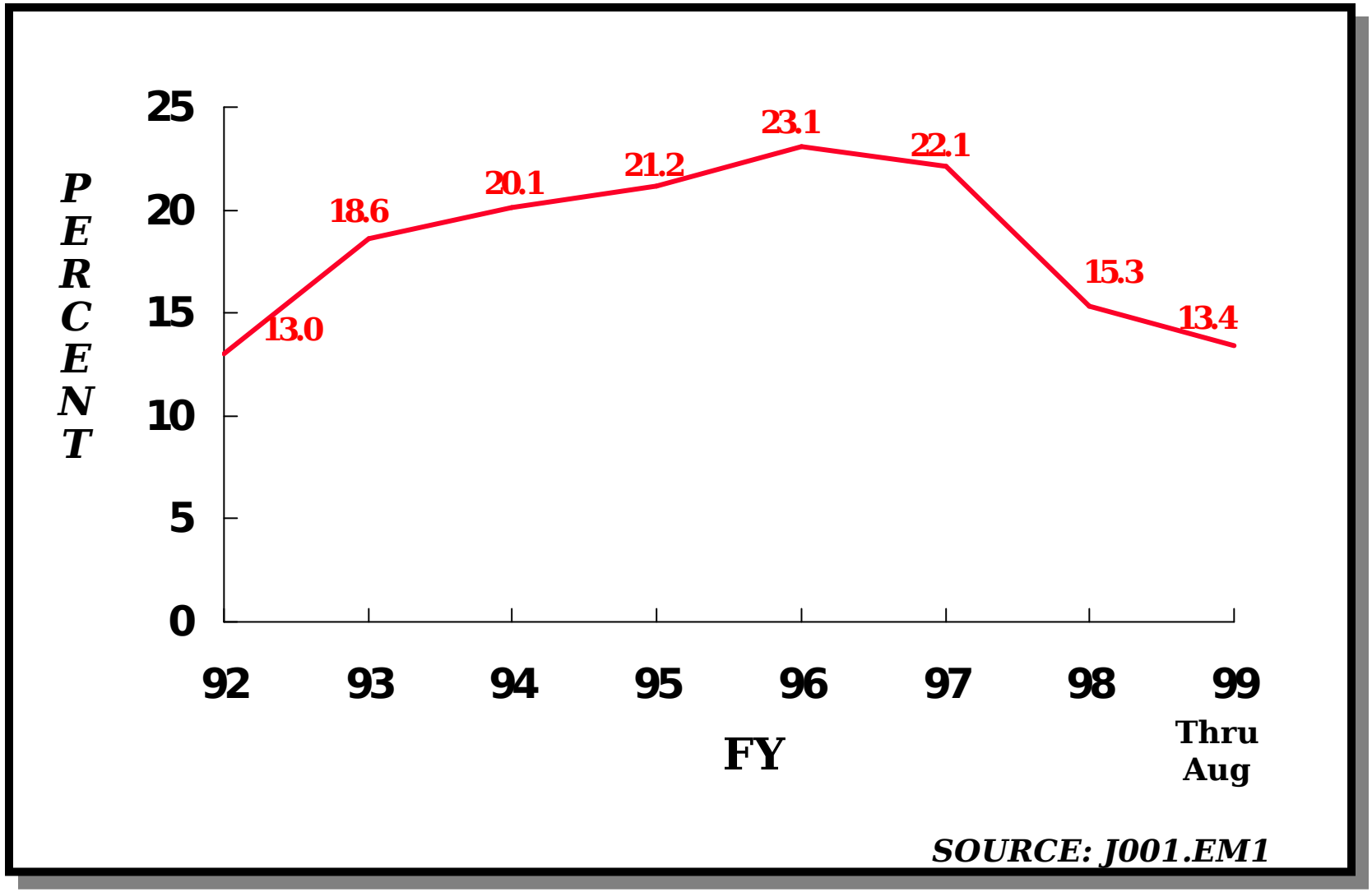
Socioeconomic Goals

What does the trend show for the three ALC’s small business awards?

FAST

R-ALC Small Business Awards - Perce

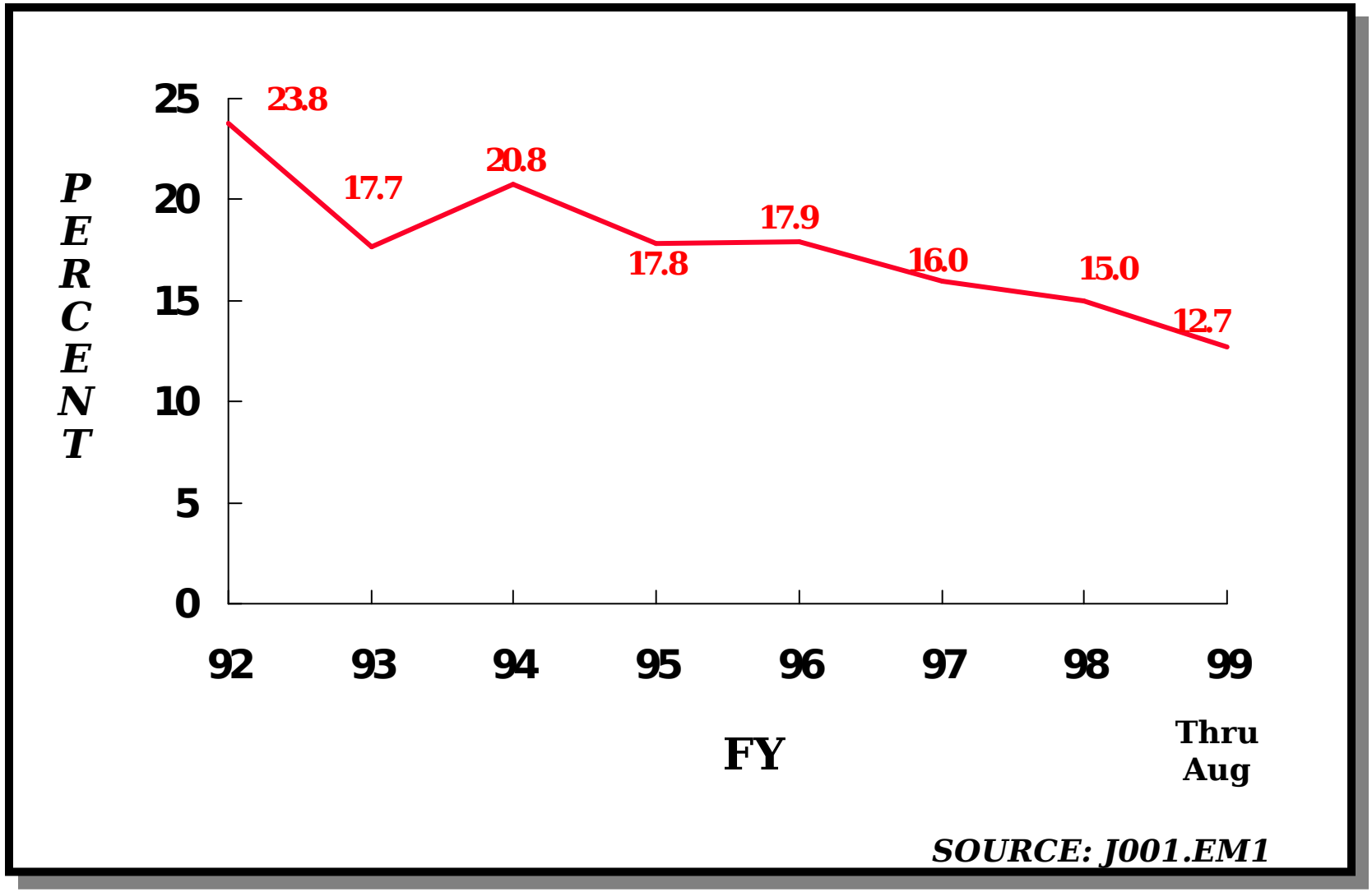
(Includes PKO Data and 8(a)/SDB Awards)



FAST

-ALC Small Business Awards - Perce

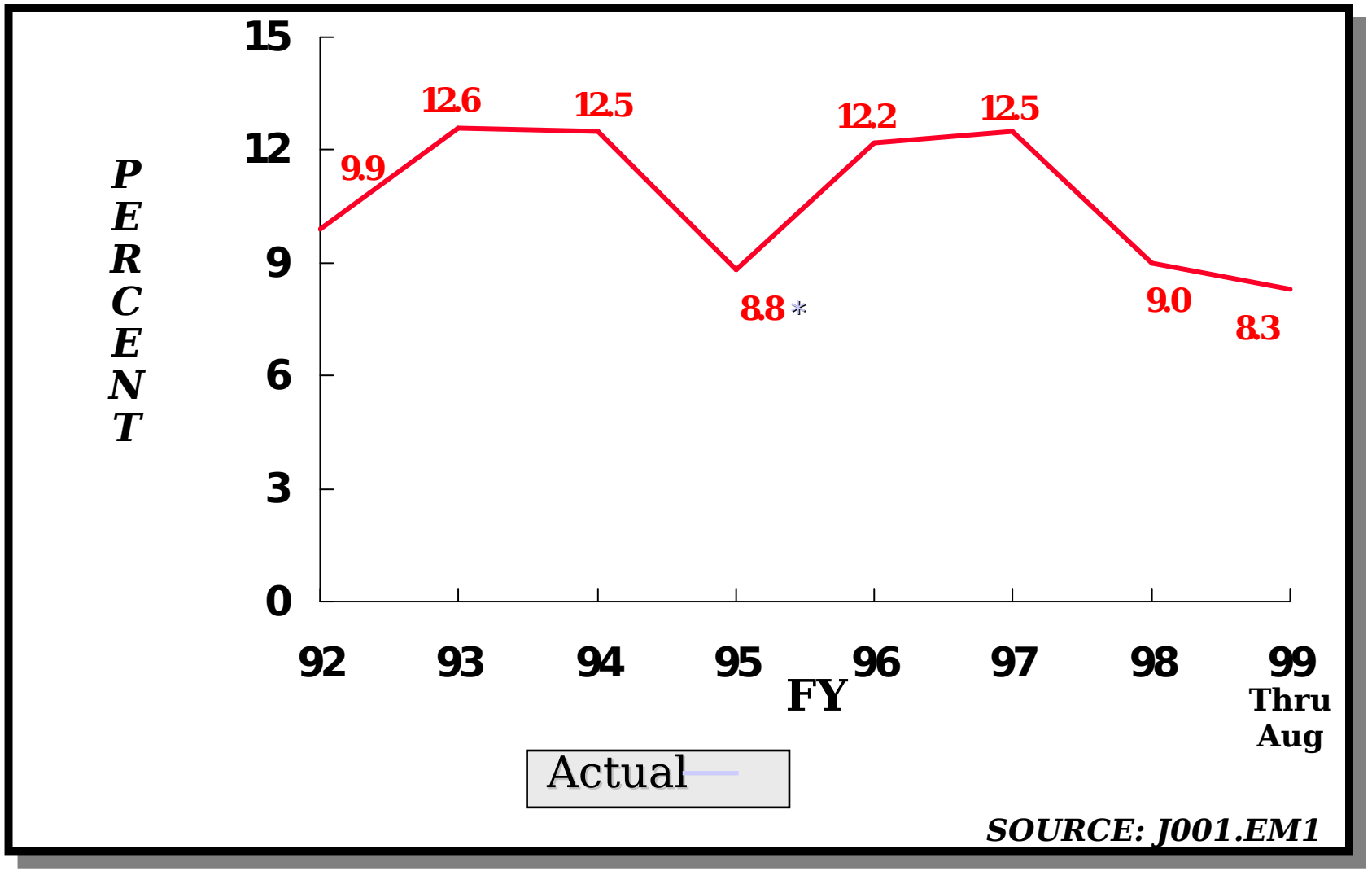
(Includes PKO Data and 8(a)/SDB Awards)



FAST

C-ALC Small Business Awards - Perce

(Includes PKO Data and 8(a)/SDB Awards)



FAST MARKET RESEARCH

- Review of more than 30 Contracting Vehicles
- Briefings to Middle Georgia Aerospace Industry Committee
- Use of Contracting Business Opportunities Webpage
- Over 70 One-on-One Meetings With Contractors
- Industry Day, 15 Nov (70 Large Businesses, 95 Small Businesses)
- Risk Assessment Workshop, 30 Nov - 3 Dec (10 Large Businesses and 17 Small Businesses)
- Most everyone who has taken the time to become acquainted with FAST supports the concept. The press has slowed our progress but has caused us to do a better job of formulating our strategy.

BENCHMARK

- Army Developed Rapid Response to Critical System Requirements (R2CSR) Contract
- AF Customers- #1 Users
- R2CSR Is Benchmark For FAST Effort

FAST GOALS (In Priority Order)

- Goal #1--Meet Program Managers' Needs
  - Flexible
  - Fast
  - User Friendly
- Goal #2--Reduce Cost
  - No Surcharge
  - Industry Economies of Scale
  - Competition
- Goal #3--Increase Dollars to Small Business
  - Direct Award
  - Aggressive Subcontracting Goals

GOAL #1--FAST WILL MEET PMs' NEEDS

- Flexible
  - Task Ordering Contract Focused On Air Logistics Center (ALC) Requirements (Program Manager Can Accomplish Any or All Of The Following On A Single Task Order)
    - Modifications (Including Modernization of Existing Systems)
    - Services
    - Spares (Critical, Limited, and Contingency)
      - Example: Vanishing Vendors, Prototype, Programmed Depot Maintenance Line Down
      - Initial Spares to support Modifications
      - **Not** Standard Replenishment Spares
    - Repairs (Critical, Limited, and Contingency)
  - Multi-functional Contractor Teams

GOAL #1--FAST WILL MEET PMs' NEEDS

- Fast
  - Award Task Orders in 19 Days Or Less
- User Friendly
  - Using Centers Will Have Decentralized Task Ordering Authority
  - Optional (Another Tool For Program Managers- not their only tool)
  - WR-ALC Will Provide Overall Contract Management and Administration
  - Result: Decreased Dependency on Non-USAF Contracting Vehicles

GOAL #2--FAST WILL REDUCE COST

- Surcharge Savings
  - No Surcharge for AF Users
- Industry Economies of Scale
  - Better Overall Prices From Industry
    - Amortization of Overhead Across a Broader Base
- Competition Savings
  - Each Task Order is Competed- with cost a consideration

GOAL #3 SMALL BUSIN

- Establish a Small Business Floor, for direct awards two and a half times present awards to Small Business

- Subcontract goals for large business awards THREE times current awards to Small Business

- FAST will not disturb any current Small

DOLLARS TO SB

	Without FAST	W/ FAST Guaranteed 15% Direct Award
$ to be Obligated	$1.00	$1.00
Sent to other Agencies	12¢	
3¢		
Net	88¢	97¢
Direct Awards to SB	5¢	
15¢		
Subcontracted to SB	7¢	
19¢		
SB Total Dollar	12 ¢	34 ¢ *

Dollars to Small Business

Category	Without FAST	Anticipate with FAST	Guarantee with FAST
Direct Awards to SB	$0.386B	$2.46B	$1.12B
Subcontracting to SB	$0.499B	$1.15B	$1.45B
Total $ Available to SB	$0.885B	$3.61B	$2.57B
SB Percent of Total $	12%	48%	35%

Note: $7.44B is the FAST ceiling estimate

QUESTIONS ASKED ABOUT FAST

- Will FAST negatively impact local small businesses?
- Is FAST Bundling?
- Can small business really prime this con
- Can other contracts do what FAST does?
- How do you assure commitment to small business?
- If FAST is so positive why are you meetin headwind, particularly from the small bu community?

WILL FAST NEGATIVELY IMPACT LOCAL SMALL BUSINESSES?

- FAST does NOT cover local purchases
  -base operating services, impact card purcha
- Additive workload is ALWAYS welcome a the $1B/year is ADDITIVE
- Cannot and will not guarantee federal do local small businesses
  -That’s up to YOU!

IS FAST BUNDLING?

AND

WHY IS THAT AN ISSUE?

BUNDLING

- Definition: Consolidating two or more requirements for supplies or services, previously provided or performed under separate smaller contracts, into a solicitation for a single contract that is likely to be unsuitable for award to a small business concern - (Sec. 412 par. (2) Public Law 105-135)

  "Consolidation (Bundling) is not inherently good or evil, it depends how you do it!"

  - me

CAN SMALL BUSINESS REALLY PRIME THIS CONTRACT?

- Due to Early Doubts, FAST Announced "Possibility" of SB Reserved Award for "S Only"

- Market Research Since Industry Day/Ris Assessment Workshop Has Erased Early

  -SBs Plan to Propose on Entire Requiremen Either Through Teaming or Joint Ventures

CAN OTHER CONTRACTS DO WHAT FAST DOES?

NO! We can continue to utilize other contracts if we:

- split requirements- scope and ceilings
- are willing to pay surcharges then administer our own contracts
- are willing to award almost exclusively to large business

HOW DO YOU ASSURE COMMITMENTS TO SB?

- Subcontracting Contractual Requiremen
  part of past performance evaluation on t
  -Contractor Failure: No Future Business

- 15% Direct Awards Commitment
  - FAST Program will monitor and evaluate to
    ensure commitment

FAST IF FAST IS SO POSITIVE WHY ARE YOU MEETING SO MUCH HEADWI

- We have been unable to tell our story pr agreement at the highest levels. We are there.

- FAST is not disruptive, it is ADDITIVE bringing work back in house; a BOON to Business. If anyone tells you different th information.

FAST

SHAPING OUR OWN DESTINY

The Air Logistics Centers are becoming better

stewards by improving business practices and

becoming more competitive/efficient.

STATUS QUO?

I do not believe status quo is a satisfactory course of action or even an option?

ASSIGNMENT

Finalize a solution together, which meets
Force and Industry needs- captures all th
creative, answers all concerns, and is
successful over the life of the contract…

AND THAT AIN'T EASY!!

CONCLUSIONS

- FAST Will Meet all 3 Goals
  - Program Managers' Needs
  - Reduce Cost
  - Increase Dollars to Small Business
- ALCs Have Teamed to Realize These Goals
- Consolidation Is Neutral
- FAST Should Serve as the DOD Standard for effective Consolidation
- A lot of work remaining
  - Need your non-parochial guidance to craft a solicitation